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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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June 4, 1998

Federal Communication Commission Secretary of Commission Magalie Roman Salas 1919 M Street, NW Room 222 Washington, DC 20554

RE:

Ex Parte Oral Presentation WT Docket No. 97-112

Dear Secretary Salas,

Pursuant to Section 1.1206(b)(2) of the Commission's Rules, an original and one copy of the filing is submitted to the Secretary to comply with the Ex Parte Oral Presentation Rules concerning the above captioned docket matter. On April 22, 1998, Mr. Billy J. Parrott and Attorney Charles R. Jones held an oral Ex Parte presentation with several staff members of the Policy and Rules Branch of the Commercial Wireless Division including Ramona Melson, Wilbert Nixon, and Linda Chang.

The oral presentation focused entirely on the FCC's NPRM on the coastal licenses in the Gulf of Mexico as a result of the District of Columbia Federal District Court of Appeal's decision in the case of Petro Com v. FCC. 22 F 3d 1164 (1994) There, the Court of Appeals remanded the case back to the FCC in order to adjust its rules and their application to coastal licenses in the Gulf of Mexico.

Upon a studied review of the NPRM, the oral presentors unequivocally concluded that the NPRM was totally unacceptable. Further, we opined that the regulatory scheme explicitly embodied within the NPRM was essentially the skimming of the cream off the top. As drafted, the NPRM seeks to provide the "flexibility" enunciated by the Court via cutting off significantly valuable license coverage area. Such a regulatory solution is unjustifiable under the circumstances of coastal licenses.

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LICENSE STRIPPING

The Commission's proposed action is tantamount to "stripping the license" because it takes away coverage area that is enormously valuable to the licensed owner, while, providing the rationale that the decision provides more flexibility. Contrary to the Commission's position, this is not a fair trade. The question that we posed repeatedly was, "What motivates the FCC to abandon all principles of fairness, justice and reasonableness?" The Commission subsequently attempted to persuade the license owner that this was, indeed, a good results for him.

RULE RELIABILITY

The system was purchased with the condition that the Commission's Rules were sufficiently reliable to make a financial decision to purchase without the Rules being changed in a manner that denudes the license of significant value. Realizing that the Commission must change its Rules from time to time, one would expect "changes" to be reasonable and fair. However, the proposed NPRM is inescapably devoid of both of these essential elements. Query? When the government exercises its right under imminent domain, it does not do so without restitution of some sort to the owner.

CONSISTENT POLICIES

The NPRM expressed the desire to be consistent with its policies. A search of the records fails to uncover a single instance in which the Commission, after the fact, has reduced a license holder's coverage area and awarded the "seized" coverage territory to another via any of the means in which the Commission awards licenses, i.e. lottery, auction or hearing. Has the Commission ever, or will it ever, take a corridor from say, the New York or Los Angeles MSA and reward it to another? Establishing such a rule/policy and operating under it, henceforward, would undermine the investments made in every cellular, PCS and other system that has been constructed. This is hardly in the public interest. Thus, the NPRM would force the Commission to choose between two heinous choices: either to hurt the public or single out two licenses for the special treatment.

TECHNOLOGY SOLUTION

The Commission assumes that dividing the Gulf is the only way to provide "flexible" and "full" coverage. We have two problems with this assumption. First, this new proposal merely changes the ownership. This result is blatantly prejudicial; consequently, even if the Gulf was divided as proposed, the ownership should be the present licensees. Otherwise, it is simply a punishment for the present owners and the Commission going

back on it words. Second, there are other alternatives to satisfy the Court's mandate. For instance, there is a technology solution including solar power technology. Solar powered buoys are clear alternatives and they are low cost, low maintenance, environmentally friendly, and highly moveable, with pinpoint accuracy. This is a viable solution consistent with Court's mandate.

The filing is late due to extreme unforeseen circumstances.

Respectfully,

Charles R. Jones, Jr.